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INFORMATION REPORT

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COUNTRY China  
SUBJECT Land Redistribution and Opium  
Traffic in northwest China

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Land Redistribution

50X1-HUM

1. In the latter part of 1949 land redistribution was being carried out in an unsystematic manner throughout the more settled parts of Northwest China. The usual procedure was for two or more Chinese Communist agitators to visit a village and rouse the population against the landlords and richer peasants, whose land would then be seized by the peasants. On the arrival of official land officers, the seized property would be declared state land, its final distribution to be determined by the government later.
2. This practice has given rise to much dissatisfaction among the peasants, particularly since the government has made no provision in those areas for a substitute for the advances and "seed loans" formerly made by the landowners in lean years.
3. This state of affairs, which is not confined to the Northwest, is one of the chief causes of peasant resistance to the new regime. The central authorities place the blame on excessive local zeal, but there is no doubt that it is a part of the deliberate policy of breaking up the old rural economy. Unfortunately for the peasants, the new rural economy in most parts of the country is not organized to take over.

Opium Traffic

4. Under the Kuomintang, efforts to stamp out the use of opium had been fairly successful in Kansu and Tsinshai Provinces. They had had less success in Ningxia and in the Kashgar and Khotan areas, where a plentiful supply of cheap Indian opium was available. In the latter part of 1949, the Chinese Communists appeared to be making no effort to hamper either the traffic in or the use of opium. On the contrary, it was being used in many regions, with official connivance, as currency among the peasants. Even in the extreme Northwest, where its use had been discouraged, the new officialdom were shutting their eyes to the use of opium, and some officials were said to be involved in the trade.

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